SENATE RECORD VOTE ANALYSIS

105th Congress | April 23, 1998, 11:44 am

2nd Session | **Vote No. 98** | Page S-3479 Temp. Record

EDUCATION SAVINGS ACCOUNTS/Strike ESAs, Add IDEA Funding

SUBJECT: **Education Savings Act for Public and Private Schools . . . H.R. 2646. Dodd motion to waive the Budget Act for the consideration of the Dodd amendment No. 2305.**

ACTION: MOTION REJECTED, 46-53

SYNOPSIS: As amended, H.R. 2646, the Parent and Student Savings Account PLUS Act, will enact the compromise provisions of S. 1133, as reported, on education savings accounts and other education initiatives. It will expand the recently enacted education savings account tax credit, will provide an exclusion from gross income for distributions from qualified State tuition programs, will extend and expand the current-law section 127 tax exclusion (for employer-provided education assistance), and will assist local governments in issuing bonds for school construction by increasing the small-issuer bond exemption. The bill will also enact a proposal to give school construction aid to high growth districts. In total, approximately $6 billion in tax relief for education over the next 10 years will be provided. That cost will be more than fully offset by modifying the employer deduction for vacation pay and by changing the treatment of the foreign tax credit carryback and carryforward periods (for increased revenues of $6.9 billion over 10 years). The education tax credit will be expanded by increasing the annual contribution limit for education IRAs from $500 to $2,000 for taxable years 1999 through 2002 and by changing the definition of qualified education expenses to include kindergarten through twelfth grade (K-12) expenses (the credit currently applies only to higher education expenses).

The Dodd amendment would strike the provisions on education savings accounts and would add that any net revenue gain from this bill would be spent on the Individuals with Disabilities Education Act (IDEA).

Debate was limited by unanimous consent. After debate, Senator Coverdell raised a point of order that the amendment violated section 302(f) of the Budget Act because it would cause direct spending to exceed the direct spending cap. Senator Dodd then moved to waive the Budget Act for the consideration of the amendment. Generally, those favoring the motion to waive favored the amendment; those opposing the motion to waive opposed the amendment.

NOTE: A three-fifths majority (60) vote is required to waive the Budget Act. After the failure of the motion to waive, the point of order was upheld and the amendment thus fell.

(See other side)

YEAS (46)

Republicans (4 or 7%)	Democrats (42 or 93%)	
Chafee	Akaka	Kennedy
Collins	Baucus	Kerrey
D'Amato	Bingaman	Kerry
Jeffords	Boxer	Kohl
	Breaux	Landrieu
	Bryan	Lautenberg
	Bumpers	Leahy
	Conrad	Levin
	Daschle	Lieberman
	Dodd	Mikulski
	Dorgan	Moseley-Braun
	Durbin	Moynihan
	Feingold	Murray
	Feinstein	Reed
	Ford	Reid
	Glenn	Robb
	Graham	Rockefeller
	Harkin	Sarbanes
	Hollings	Torricelli
	Inouye	Wellstone
	Johnson	Wyden

NAYS (53)

Republicans (50 or 93%)		Democrats (3 or 7%)
Abraham	Hutchison	Biden
Allard	Inhofe	Byrd
Ashcroft	Kempthorne	Cleland
Bennett	Kyl	
Bond	Lott	
Brownback	Lugar	
Burns	Mack	
Coats	McCain	
Cochran	McConnell	
Coverdell	Murkowski	
Craig	Nickles	
DeWine	Roberts	
Domenici	Roth	
Enzi	Santorum	
Faircloth	Sessions	
Frist	Shelby	
Gorton	Smith, Bob	
Gramm	Smith, Gordon	
Grams	Snowe	
Grassley	Specter	
Gregg	Stevens	
Hagel	Thomas	
Hatch	Thompson	
Helms	Thurmond	
Hutchinson	Warner	

NOT VOTING (1)

Republicans (1)	Democrats (0)
Campbell-2	

EXPLANATION OF ABSENCE:
1—Official Business
2—Necessarily Absent
3—Illness
4—Other

SYMBOLS:
AY—Announced Yea
AN—Announced Nay
PY—Paired Yea
PN—Paired Nay

Compiled and written by the staff of the Republican Policy Committee—Larry E. Craig, Chairman

Those favoring the motion to waive contended:

When Congress first passed the IDEA legislation, it promised that the Federal Government would pay for 40 percent of the costs of its mandates. Today, States pay 55 percent of the costs, local governments pay 35 percent of the costs, and the Federal Government pays a paltry 10 percent of the costs. We strongly support disabilities education, but we do not think that it is fair for the Federal Government to renege on its commitment to provide greater help. The costs of providing education to the disabled are substantial; if the Federal Government were to pay 40 percent of the costs it would have to give $16 billion annually. For the record, we commend our Republican colleagues for getting the Federal share up to 10 percent from 6 percent, and for their commitment to continue raising the Federal share. We note that the Dodd amendment would help them greatly in their ongoing, worthy effort. The Dodd amendment would take the nearly $1.6 billion that our colleagues want to spend on education savings accounts and would instead spend the money on disabilities education. Under the savings account proposal, the benefits will be spread thinly; the average tax benefit for a child in a private school will only be $37 per year and the average tax benefit for a child in a public school will only be $7 per year. In contrast, because there are fewer disabled children, the Dodd amendment would result in relief for States of $320 for each special needs child. Should we give States major relief from a burden we put on them decades ago and promised we would pay, or should we give minor tax relief to American families? The Dodd amendment gives Senators that choice. We urge our colleagues to vote in favor of more disability education funding instead of education savings accounts.

Those opposing the motion to waive contended:

We thank our Democratic colleagues for recognizing our ongoing effort to meet the Federal commitment on disability funding. We assure them that effort will continue and will succeed. Under Democratic Congresses there was not much concern about unfunded mandates on the States. That attitude changed as soon as Republicans took control of Congress. All of the progress to date has been made without compromising other Federal educational priorities, and we are not about to start agreeing to the type of unacceptable trade-off that is proposed by the Dodd amendment. Our colleagues like to use the average tax benefit numbers that the 15 million American families will receive in an effort to make it seem as though this proposal will have very little effect. They know that if they were to mention that to get a $37 per year tax benefit a family would have to save $1,000, or that to get a $7 per year tax benefit a family would have to save $250, and that if they were to mention that when those numbers were multiplied by the number of families who would get the benefit the total amount that would be saved would be $10 billion, people would suddenly realize that this proposal is huge. That $10 billion would be spent not by the Federal Government, not by the State governments, not by local governments, not by local educational agencies, and not even by individual schools--instead, it would be spent by the parents themselves directly on their children's educational needs. Parents better than anyone else know the individual educational needs of their children, they love their children more than any government ever will, and they are absolutely committed to meeting the particular educational needs of their children. No taxes are imposed; no government spending takes place; no administrative costs are incurred, and the spending is so carefully targeted by the people who know what is best for students, their own parents, that we have little doubt that several times $10 billion in any new educational spending would not come close to the positive benefits that will come from encouraging parents to save and spend this money on their kids. Creating education savings accounts is not a $7 proposal or a $37 proposal, it is a proposal to empower parents to spend more than $10 billion on education, and to spend it more effectively than any government ever has or ever will spend money on education. We are committed to increasing funding for disabilities education to 40 percent of the total costs, and we will succeed, but we are not about to sacrifice education savings accounts to reach that goal. We are certain that a majority of our colleagues agree, and will therefore join us in voting against the motion to waive the Budget Act for the consideration of the Dodd amendment.